

**Northern Illinois Gas Company d/b/a Nicor Gas Company**  
**Response to: Illinois Attorney General**  
**Ill.C.C. Docket No. 08-0363**  
**AG Second Set of Data Requests**

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AG 2.22(DJE) Q. Referring to Schedule C-4, please explain the reasons for the increases in expenses charged to the following accounts in from 2007 to 2008 and from 2008 to 2009:

- a. Account 870 – Operation Supervision and Engineering
- b. Account 874 – Mains and Services Expense
- c. Account 903 – Customer Records and Collection Expenses
- d. Account 920 – Administrative and General Salaries
- e. Account 921 – Office Supplies and Expenses

AG 2.22(DJE) A.

- a. See attached Exhibit 1, line 1.
- b. See attached Exhibit 1, line 2.
- c. See attached Exhibit 1, line 3.
- d. See attached Exhibit 1, line 4.
- e. See attached Exhibit 1, line 5.

Witness: James M. Gorenz

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ILL. C.C. DOCKET NO. 08-0363

Att'y Gen Cross Exhibit No. 9

Witness: James Gorenz

Date: 11/18/08 Reporter: AMS

Northern Illinois Gas Company d/b/a Nicor Gas Company  
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III.C.C Docket No. 08-0363  
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AG 2.22 (DUE)  
Exhibit 1  
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Line No.		2008 v 2007		2008 v 2007		2009 v 2008		Explanation
		Actual 2007	Budget 2008	Variance	%	Budget 2009	Variance	
1	prime87000 Operation Supervision and Engineering	5,521	8,412	2,891	52%	9,715	1,303	15% Primarily due to Geographic Information System (GIS) data conversion (approx. \$1.1M), Business System Support Projects management increase in staffing due to increased workload (approx. \$571k) and Field Operations Administration increase in staffing due to increased workload (approx. \$549k).
2	prime87400 Mains and Services Expenses	18,612	21,795	3,183	17%	23,768	1,973	9% Primarily due to Leak Survey and Locating contractor costs (approx. \$664k), Field Operations and System Operations training (approx. \$366k) and labor (approx. \$245k), Field Operations Construction management payroll (approx. \$336k) and Locating Quality Assurance increase in staffing due to increased workload (approx. \$94k).
3	prime90300 Customer Records and Collection Expenses	30,061	34,016	3,955	13%	37,647	3,631	11% Primarily due to increased Customer Care workload (approx. \$1.0M), postage due to rate increase (approx. \$657k), contractor costs due to Call Center unit cost increase (approx. \$591k) and vehicle fuel cost (approx. \$215k).
4	prime92000 Administrative and General Salaries	36,962	41,105	4,143	11%	45,102	3,997	10% Primarily due to increased workload (approx. \$1.7M) and the Performance Reward Plan (approx. \$1.7M).
5	prime92100 Office Supplies and Expenses	20,900	25,202	4,302	21%	26,315	1,113	4% Primarily software and hardware maintenance fees (approx. \$316k) and Consolidated Pool charges (approx. \$286k).

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